



DELBERT HOSEMANN
Secretary of State

ECONOMIC IMPACT STATEMENT

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Act. An Agency is encouraged to use as much space as will adequately answer all questions. A **PDF** version of this executed Form must be filed with any proposed rule, if required by the aforementioned statute.

AGENCY NAME Division of Medicaid	CONTACT PERSON Margaret Wilson		TELEPHONE NUMBER (601) 359-5248
ADDRESS 550 High Street, Suite 1000	CITY Jackson	STATE MS	ZIP 39201
EMAIL Margaret.Wilson@medicaid.ms.gov	DESCRIPTIVE TITLE OF PROPOSED RULE Title 23: Medicaid, New Part 225: Telemedicine, New Chapter 1: Telehealth, New Rules 1.1-1.6, New Chapter 2: Remote Patient Monitoring, New Rules 2.1-2.6, New Chapter 3: Teleradiology, New Rules 3.1-3.6, New Chapter 4: Continuous Glucose Monitoring Services, New Rules 4.1-4.6.		
Specific Legal Authority Authorizing the promulgation of Rule: Miss. Code Ann. § 43-13-121; SPA 15-003		Reference to Rules repealed, amended or suspended by the Proposed Rule: New Rules 1.1-1.6, 2.1-2.6, 3.1-3.6, 4.1-4.6.	

- Describe the need for the proposed action:
Telemedicine will increase beneficiary access for needed Medicaid services from a remote location.
- Briefly describe the need for the proposed rule:
Due to the rural nature of Mississippi, telemedicine will increase beneficiary access for needed Medicaid services from a remote location.
- Describe the benefits which will likely accrue as the result of the proposed action:
Telemedicine will increase beneficiary access for needed Medicaid services from a remote location.
- Describe the effect the proposed action will have on the public health, safety, and welfare:
Telemedicine will increase beneficiary access for needed Medicaid services from a remote location.
- Estimate the cost to the agency and to any other state or local government entities, of implementing and enforcing the proposed action, including the estimated amount of paperwork, and any anticipated effect on state or local revenues:
The net savings of Telemedicine Services is estimated to be \$2,604,866 per state fiscal year.
- Estimate the cost or economic benefit to all persons directly affected by the proposed action: *There is no cost or economic benefit to persons directly affected by the proposed action.*
- Provide an analysis of the impact of the proposed rule on small business: *N/A*
 - Identify and estimate the number of small businesses subject to the proposed regulation: *N/A*
 - Provide the projected reporting, recordkeeping, and other administrative costs required for compliance with the proposed regulation, including the type of professional skills necessary for preparation of the report or record: *N/A*
 - State the probable effect on impacted small businesses: *N/A*

7. The cost of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):
☒ substantially less than ☐ moderately less than ☐ minimally less than
☐ the same as ☐ minimally more than ☐ moderately more than
☐ substantially more than ☐ excessively more than
8. The benefit of adopting the rule compared to not adopting the rule or significantly amending the existing rule (check option):
☐ substantially less than ☐ moderately less than ☐ minimally less than
☐ the same as ☐ minimally more than ☐ moderately more than
☒ substantially more than ☐ excessively more than

B. Reasonable Alternative Methods

1. Other than adopting this rule, are there less costly or less intrusive methods for achieving the purpose of the proposed rule?
☐ yes ☒ no
2. If yes, please briefly describe available, reasonable alternative(s) and the reasons for rejecting those alternatives in favor of the proposed rule. (Please see §25-43-4.104 for factors you must consider.)
N/A

C. Data and Methodology

Please briefly describe the data and methodology you used in making the estimates required by this form.

The net savings of Telemedicine Services is estimated to be \$2,604,866 per state fiscal year.

Telehealth Services: MMIS data was compiled for utilization of emergency room evaluation and management codes 99281-99285 for SFY14. Total cost of these services was \$1,557,688 with the average claim of \$77.60. Using a rate of \$31.01 for the telehealth originating site fee, the Division of Medicaid estimates a yearly decrease in emergency room costs of three percent (3%) which equals to a savings of \$46,731 annually. Additionally, the Division of Medicaid anticipates that non-emergency transportation (NET) costs will decrease due to beneficiaries accessing telehealth services at a closer geographical site to them.

Remote Patient Monitoring: A Cognos report was obtained to capture total expenditures for claims for dates of service 02/01/2014 – 02/28/2015 for beneficiaries diagnosed with one (1) or more of the chronic conditions as defined by the proposed Rule who had two (2) or more inpatient hospitalizations within the time period. There were a total of 6,189 beneficiaries with a total expenditure of \$156,000,000 averaging \$25,217.88 per beneficiary for outpatient hospital services. The maximum total cost for a beneficiary to receive Remote Patient Monitoring for a twelve (12) month period would be \$4,170.85. If three percent (3%) of the 6189 beneficiaries were to receive remote patient monitoring there is an estimated cost savings of \$3,914,742 per year.

Teleradiology: There is no economic impact because teleradiology is currently covered.

Continuous Glucose Monitoring Services: There were 12,474 Medicaid beneficiaries with Type I Diabetes Mellitus meeting the CGMS criteria for state fiscal year (SFY) 14. If the following percentages of the 12,474 beneficiaries were to receive continuous glucose monitoring services, CGMS DME and medical supplies the estimated cost would be: 1% = \$452,202.46, 3% = \$1,356,607.38, 5% = \$2,261,012.29 and 10% = \$4,522,024.58.

D. Public Notice

Where, when, and how may someone present their views on the proposed rule and demand an oral proceeding on the proposed rule if one is not already provided?

Written comments will be received by the Division of Medicaid, Office of the Governor, Walter Sillers Building, Suite 1000, 550 High Street, Jackson, MS 39201, thirty (30) days from the date of publication of public notice. All comments will be available for public review at the above address.

SIGNATURE

TITLE

Executive Director

DATE

PROPOSED EFFECTIVE DATE OF RULE

JUL 01 2015